GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:61
ANSWERED ON:10.08.2007
MERGER OF LOCAL BANKS
Reddy Shri Karunakara G.

Will the Minister of FINANCE be pleased to state:

(a) whether RBI has identified certain local banks ideal for merger and consolidation rather than acquisition by foreign players;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a): Reserve Bank of India (RBI) has not identified any Local Area Bank for merger and consolidation.

(b):Does not arise.

(c):RBI monitors the functioning of all banks including local area banks on a continuous basis and appropriate corrective action is taken as and when required.